

TRAINING IN BUSINESS ENTREPRENEURSHIP SKILLS THROUGH DISTANCE LEARNING

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By

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Abstract

Training imparts skills and enriches the skills of people towards increasing productivity. Training is part of any business proposition not only to see its impact on sustainability of the organization but also to ensure profits that it generates within the organization. Training is also termed as applied science where people come together to learn new techniques of organising a new activity or an existing activity. Training should be on continuous process and should respond to the changes in the market; domestic and international. Training requirements will also be recognized on the basis of needs analysis in specific areas of development.

Training in the business entrepreneurship is considered to be a vital element which results in sound performance of an organization. This applies more especially to all developing countries and Botswana is not an exception to this proposition. Since Botswana depends mostly on Trade, training in business receives a priority. At present, the country depends on foreigners for skilled labour; this necessitates training citizens to reduce the cost on national exchequer on importing foreign skills. In view of the importance attached to training, Botswana Government recently established Botswana Training Authority to oversee the training activity in the country. The paper investigates the need for training exclusively in small Business enterprises. While proposing the strategy of training for business development, the paper will look into the following:

1. Business environment in Botswana
2. Need for training in Business Entrepreneurship Skills
3. Initiatives taken by Department of Industrial Affairs through ILO Project

4. Impact of training on Business in Botswana
5. Different Stake holders and their plans
6. Technology of Open and Distance Learning (ODL) for training
7. Way forward.

Introduction

Botswana is a small country with 1.8m population. Its economy depends mostly on mining sector and trading activity with Less development of Agriculture and manufacturing sectors. Apart from mineral resources and Mining activity, the country heavily depends on Trade where in, all goods are imported from neighboring countries, eg., South Africa, Zimbabwe, etc. In the process, the trading activity dominates the economy and most people are involved in business activity at different levels of operation. In fact in many cases including the rural settlements, people are involved in some business activities to earn their living. With the growth of the population and their requirements, there has been a mushrooming of business establishments and some time one wonders whether the country needs such a rapid expansion in the establishment of these businesses. It is a naked truth that the businesses are growing in the form of self employment avenues with limited formal sector employment opportunities. But the rapid expansion of Businesses require skills to operate them successfully.

It is in this context that the business sector needs more and more skilled people to manage businesses successfully. Further, within the context of Botswana, the country depends on foreigners for most of these skills. Even at this moment, majority businesses are owned by foreign nationals. Further, most businesses that are established by Citizens are not being managed successfully due to lack of Business Entrepreneurship Skills (BE Skills). These skills are required right from the on set, ie., Generate your Business ideas (GYBI), Start your Business (SYB), Improve Your Business (IYB), Start and Improve your business (SIYB) and finally sustain your business (SSYB)

To run the business successfully there is need for training and skills development. Hence the training activity has to be taken up in a large scale and it is assumed that Open and Distance Learning (ODL) could assist in taking up such a mammoth task of training in big numbers in a short period.

Hence the paper is an attempt to analyse the level of training in Business Entrepreneurship skills in Botswana based on the following objectives:

- Business environment in Botswana
- Need for training in Business Entrepreneurship Skills
- Initiatives taken by the Department of Industrial Affairs through ILO project
- Impact of training on Business in Botswana
- Different Stake holders and their plans
- Technology of Open and Distance Learning (ODL) for training
- Way forward.

The study concentrates only on Small scale businesses.

- In the economic terms, a small business firm is one that has a relatively small share of its market.
- It is managed by owners or part owners in a personalized way, and not through the medium

of a formalized management structure.

- It is independent in the sense that it does not form a part of a larger enterprise and that the owner / managers should be free from outside control in taking their principal decisions (Bolton report 1971).

Business environment in Botswana

The Government of Botswana has been driving the free enterprise initiatives and encouraging the citizens to own businesses and buy up foreign owned business as the case maybe. Lack of financial resources to own business has always been a complaint. The government over the years implemented Financial Assistance Policy (FAP) for 'small business enterprises'. This policy was aimed at citizen development and contribution to economic growth and development of the country. Further, the Government through its various schemes made it is possible to encourage the growth of business enterprises. Small enterprises contribute 45 percent to GDP, compared to 48 percent by the large firms (Government of Botswana 1998b).

The Government intension is to develop these Small Business Enterprises(SBEs) through the citizen participation and ownership, quite a number of SBEs are also being run by foreigners, which is against the principle of government in its mandate to empower citizens. In the present circumstances, SBEs were spread to all nooks and corners of the country taking on board most of the willing/interested people in running the business. If the present situation is compared with the period way back 10 years, the number of SBEs and their contribution was less. With the increase in population and relevant education/training, many people entered into small businesses which were rather dictated by the economy. As the economy, over the years heavily dependent on mining sector, the development of SBEs have to become the answer to support the economy. In fact some of the employment demands were diverted from mining sector to business sector over the years.

Apart from the number of SBEs, the cumulative feeling among the citizens to promote business ventures has been on an increasing trend and hence mushrooming of small businesses. No doubt, on one hand, the environment was conducive for the development of SBEs in Botswana and at the same time trade has increased enormously with South Africa. Simultaneously, some SBEs could not be managed properly by citizens due to lack of proper training in BE Skills, thereby some businesses landed in the hands of foreigners. On the whole, the SBEs growth and their contribution to the economy are quite high.

During the last ten years there has been an enormous growth in the number of businesses. The banks, Development corporations/Agencies, Financial Institutions and other NGOs have played a very important role in promoting businesses especially small scale businesses in the country. The Citizen Entrepreneurial Development Agency (CEDA) which came into existence and became the pioneer in the promotion of businesses. It has developed many business concerns over the years. The following table-1 gives the data on number of Businesses developed over the last 8 years (since inception) by CEDA(the data about other promoters is not available).

Table-1: Number of Businesses Developed by CEDA

Year	No. of businesses
2001	125

2002	628
2003	298
2004	170
2005	150
2006	165
2007	219
2008	78

Source: CEDA-Annual reports

The above table shows the number of businesses that are developed by CEDA during the period (2001-2008). In the same way other promotional institutions have also provided required support and developed businesses in the country for which data is not available.

Need for training in Business Entrepreneurship Skills (BE Skills)

Since Botswana depends mostly on trading activity and these business skills are not available in the required level to meet growing businesses, there is need for training the people in the following areas:

- *Basic training in studying the market and identifying the training needs*
- *Training in Project Proposal*
- *Training on Investment patterns*
- *Managing Finances by having sufficient working capital*
- *Studying market competition*
- Price mechanism
- Human resource Management
- Sales management by estimating turnover rates.
- Avoid locking up capital
- Levels of ordering goods
- Business management/improvements

Although Government of Botswana and other development agencies have been providing financial assistance to the business sector operated by citizens, some businesses often get failed due to lack of essential skills as indicated above. Most of the local companies that are successful are using the skills from foreign nationals and also doing Fronting Business with them. At the end of the day most of the citizens did not improve the skills. Further, the businesses change the ownership from citizen to foreigners in a short period of time. Hence, the need for training people in BE skills thereby creating capacity building and thus lead to reducing the cost of hiring these skills from other countries.

Initiatives taken by the Department of industrial Affairs through ILO project

Entrepreneurship development is an integral part of the activities of the Department of Industrial Affairs (DIA) in the Ministry of Trade and Industry. The department in Botswana has been providing business management and technical training and trainer education through its Integrated Field Services Division (IFS). The DIA, in collaboration with other entrepreneur development organizations such as the Department of Non-Formal Education and CORDE,

developed training materials for semi -illiterate persons known as "TSELAKGOPO", Which are used in business management skills development.

ILO initiated several training programmes in the area of improving BE skills especially in Southern Africa with its Head quarters at Harare, Zimbabwe. The Government of Botswana through its Department of Industrial Affairs (DIA) introduces various training programmes for small business entrepreneurs. One such major training initiative was "Small Enterprise Business Training Committee" (SEBTC) which was established during 1994. Over and above this, Integrated Field Services (IFS) division in the ministry of Trade and Industry was charged with the responsibility of coordinating SEBTC activities and providing liaison with other collaborating organizations. The SEBTC and Centre for Continuing Education (CCE), University of Botswana with the help of a Memorandum of Understanding (MOU) provided training to the small business entrepreneurs during 1995-2004. These training programmes are of two types; Training of Entrepreneurs (TOE) and Training of Trainers (TOT). Among these, the Training of Trainers programme was done by Master Trainers trained by International Labour Organisation (ILO) through its project office located in Harare, Zimbabwe. The project which was initiated by ILO is in place in Botswana and the above mentioned MOU took care of the requirements until 2004. After that the MOU got expired, these training programmes by ILO were suspended at the moment.

ILO project initiated the following two major training programmes to its member countries:

1. Generate Your Business Idea (GYBI)
2. Start/Improve Your Business (SIYB)

Apart from these, the ILO approved materials are available for the training programmes. I.e. trainer's guides, basic manuals and record keeping systems. All the training programmes were using the ILO approved materials sourced either from Harare (Zimbabwe) Office or Pretoria (South Africa) Training Office. The SEBTC in association with CCE has mounted several training programmes privately for entrepreneurs. These programmes have been on the increase since 1999. To facilitate the participants, these training events were conducted at different centres in the country. On an average, there were three to four training programmes in a year and about 100 participants were trained on annual basis during the period.

Impact of training on Business promotion

It is quite evident that there is a positive impact on business by training and re-training in these BE skills. The profits made by different companies and business establishments will reveal this impact. Training and even refresher training programmes should become integral part of any organization with a view to upgrading skills of the employees. The training grants that were available were not used properly in the business industry. Despite the availability of grants and subsidies, businesses do not seem to be investing any significant amounts in training of staff and yet lack of skilled staff is being reported as one of the most significant constraints affecting the growth of businesses.

BE skills enable the individual to earn livelihood even in difficult conditions of the economy. BE skills improve the productivity mostly in informal sector and thereby increasing GDP. Since, the

development of BE skills support self employment, the problem of unemployment gets reduced to a greater extent. International Commission on Workforce development (ICWFD), a California based non-profit charity organisation is committed in bringing down the digital divide in marginalized and disadvantaged sectors of society worldwide. This is introduced to provide training in vital job skills to reduce poverty, enhance employability, empower youth to become productive citizens, enable entrepreneurship, stimulate broad based economic development and accelerate social transformation. Apart from contributing to economic development through increased productivity, the society at large gets benefited through self employability, emergence of more productive and efficient societies through better trained work force, embedment of the culture of continuous self-employment via lifelong learning/education ,etc. ICWFD, of late, is also initiating collaborations for training activities in many developing countries.

The training programmes undertaken in Botswana have a tremendous impact on the business community and reflected quite positively in the business performance. The participants come from various parts of the country, especially those engaged in rural business enterprises have benefited. The training of entrepreneurs programmes have impacted directly on the performance of business imparting basic skills of managing business. After the introduction of GYBI and SIYB programmes, there has been a highest productivity and the businesses have flourished during the period. The programmes that are offered in the area of “improve your business” have revived many sick units and they are making good profits in their business. Most of the local owned companies have benefited from these training programmes. The benefit has resulted in profits thereby assisting the national economy to the tune of 40-45% of the total GDP. In addition, the CEDA has also started conducting the training workshops for different entrepreneurs. The number of training programmes has increased from 11 in 2004 to 14 in 2005. All these programmes were targeted towards the CEDA customers, i.e. those who benefited from CEDA’s financial assistance. CEDA play an important role in providing “training of trainers” programme and “base line training” programme. It offers hands-on-entrepreneurial development courses, where promoters from the same industry are placed together for purposes of information sharing amongst themselves and with the trainer(s).

Table-2: Number of Entrepreneurs trained during the period

Year	Number of Entrepreneurs
2005	375
2006	505
2007	402
2008	259
2009	163

Source: Citizen Entrepreneurial Development Agency (CEDA)-Annual reports

The above table shows the number of Entrepreneurs trained by CEDA alone and there are others in the market who were also involved in Business Entrepreneurship skills. The number trainees mentioned in the table above are 60% of the total applied for training and thus left the 40% unattended due to lack of resources to train them. In the same way the other organizations have also trained people in Business Entrepreneurship Skills for which the data is not available. The

informal studies conducted after these training programmes revealed that there is an enormous impact at the work place and the employers were satisfied with the performance of those who received training. Since most of the training went in to the base level employees who deal with small businesses on a daily basis, there has been an instant impact at the work place.

Different Stake holders and their plans

The trading sector emerged as an important avenue in Botswana for all levels of people to earn their living depending on their resource value. The Botswana economy has continued to show signs of stabilization. It is believed that Botswana is capable of averaging real GDP growth rates of 4.9% during the period 2010-2014. Although this will very much depend on Government spending as well as conducive environment for private investment provided by the Government in sectors other than Diamond sector. Diversification will be the key issue for the present Government and this is important for two reasons; Botswana has the highest GDP per capita in Southern Africa and the Government's dependence on Diamond sector for about 40% revenue.

The Government continues its attempts to improve the business environment as most of the population depends on informal business ventures. Government should also ensure that Botswana citizens will be able to benefit from trading/ Business sector which is presently dominated by foreigners. The authorities should strike a balance between allaying the fears of foreign investors of an aggressive empowerment drive while ensuring the citizens active participation in economic opportunities.

In view of the above, it is imperative that the businesses have to be developed and provisions have to be made for sustaining them during recession. There are many stake holders who are playing an important role in the development of businesses by not only providing financial assistance but also seriously planning to train and re-train people to acquire Business entrepreneurship skills. There are many stake holders and to mention some important entities as follows:

- Small Business Promotion Agency (SBPA)
- Small, Micro and Medium Enterprises (SMMEs)
- The Local Enterprise Agency (LEA)
- Citizen Entrepreneurial Development Agency (CEDA)
- Small enterprise Promotion Trust (SEPROT)
- Botswana Textile and Small Business Owners Association (BOTSBOA)
- Government
- Public sector Undertakings (Parastatals)
- Private Sector
- Public
- Trainers
- Employers
- Botswana Training Authority (BOTA)

It is not a surprise to see a number of stake holders assisting in the development of businesses in view of the need for this sector to grow and expand to each and every hamlet of this country. The organizations cited above have to participate in its own right to provide a variety of training and skills to citizens. Among all, BOTA has become an important agency in overseeing Training in the country since 200 with its motto "Up-Skilling Batswana". It coordinates business/vocational

training in order to achieve better integration and harmonization of this training system in business. As on today, BOTA has given accreditation to 241 institutions to impart training in many areas including BE skills. In addition, BOTA provides training. All the institutions that are accredited by BOTA are involved in training through face to face method. All these organizations have their annual plans to conduct training and provide BE skills to assist businesses. Since there is large number of clientele to be trained, it is advisable to bring them into distance learning mode. To do this, the Government and the Private sector should come together to put in place the required technology and run the training programmes by distance mode/on-line.

ODL in training Business entrepreneurial skills (BE skills)

In the context of Botswana, due to the country's heavy dependence on Small business enterprises, it is imperative that all stake holders should be involved in the creation of business skills. In order to ensure easy and fast access, ODL's intervention is required to impart training in business skills. In addition to existing infrastructure, new proposals are suggested as a way forward for the improvement of business skills through ODL.

The ODL has been accepted as a viable, cost effective and flexible mode of imparting education. This approach has been very successful in the formal sector. To promote BES all the concerned stakeholders listed above started offering training programmes. In addition, some vocational colleges have also started offering vocational education courses imparting business skills on a regular basis. In fact, these courses have been helping the nation in promoting self employment to a very small percentage of people. It is intended to provide open access to BE skills through ODL, especially to those who could not join the formal system (to have face to face method) due to limited spaces and other logistics. As it was illustrated earlier, not enough work has been done in the area of providing BE Skills/vocational skills through ODL. It is important that open and distance education methods should come and play an important role in the process. At present, there are only 5 colleges that are offering vocational programmes and other stake holders offering business skills training in the formal way. In their mission to reach out to the masses, the institutions have to start introducing different technology in the delivery process. Hence the role of ODL technologies in the delivery process is imminent and to make the whole process a viable, flexible and user friendly to its clientele.

In the context of Botswana, so for the provision of BE skills are done by face to face method. The question now is how to offer them on a large scale and assist people as these skills are required by all especially youth who are graduating from Secondary schools. Since the country's population is widespread geographically, the significance of ODL as a mode of delivery is important. The survey results suggest that people need these skills for self employment and informal sector employment purposes. Although, ODL has over the years proved efficient in training people for formal qualifications, the provision of Business entrepreneurial skills through open and distance learning has not been given a serious thought in many developing economies. Due to paucity of resources, the face to face method could only manage a limited number of people, and hence it is essential to use ODL technologies and assist large number of people. There is a growing demand for BES among younger generation where people are interested to earn and feed their extended families. The rapid changes witnessed in information technologies through ODL should accommodate the needs of all people in the context of offering BE skills.

The development of BE Skills has to introduce ODL methods in the delivery of programmes. In the process they should collaborate with premier Distance Education Institutions and use all

modes of ODL to deliver the programmes. By using ODL, they can serve many people instead of limiting their access to a few by conventional method. In addition to print materials and audio visuals, e-learning and video conference methods should be used to complement the print materials. Teaching through radio, audio and video are considered as old technologies where as video conferencing and computer teaching is high tech/new modes (A.W Bates 1995).

With regard to providing Vocational skills, out of 35,831 applicants (all colleges) only 4,423 were enrolled during the year 2007/08 (Annual Reports, DVET). This indicates that only 12% of the applicants were considered for admission in to the programmes. The same situation exists even in the previous years as more than 70% applications were rejected. To alleviate the situation, it is important to think of ODL methods to provide these skills to the needy people. The consolidated demand for these courses is very high and felt that ODL is the only way to cope up with the demand and train a huge number of people.

Way forward in the improvement of Training BE Skills

In view of the foregoing, it is imperative that required plans have to be put in place by aligning the government policies and effective implementation and monitoring systems wherein Training programmes be increased both in Public sector and private sector. The first and foremost step is to formulate the policy to benefit citizens. In addition, the government has to bring in flexibility in the policy to encourage foreign investment in some specific businesses as a fall back to benefit the economy. In this connection, the Immigration department and the Industrial affairs department have to work hand-in-hand with a view to support citizens engaged in small businesses specifically and the economy in general. The government of Botswana has to revisit the Industrial Development Policy of 1997 with a view to assisting Business enterprises with special focus on small Business Enterprises. At this stage, the government has to de-link other medium industries from Small businesses and create an exclusive and conducive environment for the SBEs.

Offering BE Skills hitherto was done through face to face mode with a direct contact between the trainer and trainee (learner and tutor). While there is no doubt on the success of this method, the accessibility was limited to few people. On the other hand, the demand for these courses has been on increasing trend as dictated by the high subscription rates whenever these courses are offered. These skills are required to maximize productivity and thereby increase profits. Hence, employers were never hesitant to spend on training as long as the staff acquires these skills. As most organizations require these skills, the Government of Botswana/BOTA should select a few institutions to offer these skills through ODL by using all suitable methods including Video-Conferencing and E-learning which would increase access to many people in different parts of the country. To start with, all district Headquarters should have training centres equipped with ODL technology. It is also important to have monitoring wing within the training centres.

The focus of ODL should be to provide BE skills in an unlimited way across all regions in the country. The proposed strategy (ODL) will provide training avenues, thereby increasing the intake into these programmes and benefit the individuals, organisations and the country at large.

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